

Quarter Three Budget Monitoring Report

1. PURPOSE AND RECOMMENDATIONS

Report Type:	Public Report for Decision
Purpose of Report:	To update Members regarding the; <ul style="list-style-type: none"> • Quarter Three Budget Position • Capital Programme • Reserves Position
Recommendations:	It is RECOMMENDED that: The content of the report be noted.
Wards:	Borough-wide
Contact Officer:	Dan Povey, Partnership Financial Services Manager Liz Walker, Group Accountant

2. BACKGROUND

- 2.1. This report updates Members with the Quarter Three revenue budget monitoring position and forecasts for the year end outturn.
- 2.2. It also sets out the Council’s current Capital Programme and the forecast reserves position as at 31 March 2019.

3. QUARTER THREE BUDGET MONITORING

- 3.1. As at Quarter Three, the predicted revenue position at the year-end shows a net surplus of £209k. Appendix 1 details the cost pressures and savings that have been identified.
- 3.2. The Council budget for 2018/19 includes £487k of headroom and the forecast surplus will increase this meaning a net contribution to reserves of £696k is now projected at the year end.

4. RESERVES

- 4.1. The forecast position of the Council’s reserves as at 31 March 2019 is shown in the table below.

Reserve Category	£000s
Grants & Loans Reserves	85
Insurance Reserves	140
Grants & Contributions From Third Parties	1,924
Specific Revenue Reserves	2,283
Unallocated Revenue Reserves	1,583
Capital Reserves	1,055
General Fund Balance	971
Total Reserves	8,041

- 4.2. The balance of unallocated revenue reserves reported to Resources Committee on 5 December 2018 was £2,092k. The difference between this and the forecast balance of £1,583k relates to funds reallocated to or from unallocated revenue reserves as summarised in the table below.

	£000s	£000s
Unallocated revenue reserves reported to Resources Committee 5 December 2018		2,092
Funds reallocated from unallocated revenue reserves:		
Allocation for BCP Programme Resource	(421)	
Allocation for Highcliffe Castle – Heritage Lottery Funded Project	(47)	
Allocation for Christchurch Harbour Mooring Chains and Buoys Replacement scheme	(41)	(509)
Forecast unallocated revenue reserves 31 March 2019		1,583

- 4.3. The forecast balance of £1,583k includes the £38k budgeted redistribution of Council Tax surplus.
- 4.4. It also includes the budgeted headroom of £487k but this will be increased by any surplus achieved on outturn, or reduced by any deficit. A surplus of £209k is currently forecast.

5. CAPITAL PROGRAMME

- 5.1. The Capital Programme approved by Resources Committee on 5 December 2018 totalled £8,831.8k over the next five years. There have since been some variations to bring the remaining Capital Programme to £8,819.5k. The variations are summarised in the table below:-

	£000s	£000s
Total Capital Programme reported to Resources Committee 5 December 2018		8,831.8
Revise budget requirement for Car Park Reconfiguration Works scheme	(29.0)	
Revise budget requirement for Christchurch Quay, Riverside Wall Repairs scheme	(36.0)	
Close Civic Offices, Intruder Alarm Replacement scheme	(13.3)	
Revise budget requirement for Friars Cliff Ramp scheme	(8.0)	
Revise budget requirement for Highcliffe Top Car Park, Structural Repairs scheme	(14.0)	
Additional allocation for Highcliffe Castle, Phoenix Flies Project	47.0	
Allocation for new Christchurch Harbour Mooring Chains and Buoys Replacement scheme	41.0	(12.3)
Total Capital Programme shown at Appendix 2		8,819.5

- 5.2. The current Capital Programme is detailed at Appendix 2. The programme is fully resourced with £33.5k of unallocated capital funds remaining over the next five years.

6. IMPLICATIONS

Corporate Plan & Council Objectives

6.1. The matter under consideration impacts upon the Corporate Plan in the following areas:-

- EC1 - Focus on collaboration and partnership in the delivery of services
- EC2 - Deliver services more efficiently
- EC3 - Maintain strong and sustainable financial performance

Legal

6.2. There are no legal implications arising from this report.

Environmental

6.3. There are no environmental implications arising from this report.

Financial and Risk

6.4. Budget assumptions are made in a challenging financial environment and attempt to forecast the financial position of the Council to the year end. If the assumptions prove to be incorrect or new issues emerge then there could be a detrimental effect on the financial position of the Council.

Equalities

6.5. There are no equalities implications arising from this report.

Consultation and Engagement

6.6. No consultation was necessary for this report.

7. CONCLUSION

7.1. At Quarter Three, the estimated year end revenue outturn for the Council is a surplus of £209k. The Council budget for 2018/19 includes £487k of headroom and the forecast surplus will reduce this meaning a net contribution to reserves of £696k is now projected at the year end.

Appendices:

Appendix 1 – Quarter Three Budget Variances

Appendix 2 – Capital Programme

Background Papers:

None

Appendix 1

Christchurch Quarter Three Variances

Item	Outturn Variance £k	Notes
Growth & Economy:		
Growth & Economy Salaries	(1)	Net savings arising from vacancies.
Market Income	10	Income is reduced compared to budget due to fewer market traders operating and the application of restrictions.
Development Management Supplies and Services	5	Statutory advertising costs are expected to exceed the budget.
Finance:		
Finance Salaries	21	Net overspend due to maternity and sickness cover/backfill needed to maintain capacity.
Property & Engineering:		
Car Parking Income	(90)	Car park income is forecast to exceed the budget mainly attributed to the effect of the exceptional summer weather for the amenity car parks.
Property & Engineering Salaries	(39)	Savings arising from vacancies.
Public Conveniences Supplies and Services	(14)	Savings against cleaning budgets.
Public Offices Supplies and Services	(12)	Savings against cleaning budgets, shared with East Dorset.
Public Offices Income	6	Reduced accommodation charge to East Dorset as a result of savings shown above.
Dorset Waste Partnership	4	Additional bin emptying for Christchurch Quay, Mundeford Quay and Avon beach during summer season and town centre cleansing during festive period.
Housing & Health:		
Housing & Health Salaries	(35)	Savings arising from vacancies.
Licensing Income	(30)	Licensing income is forecast to exceed the budget mainly attributed to an increase in driver applications for hackney carriage licences.
Building Control Income	30	Income is reduced compared to the budget which has been affected by GDPR restrictions on direct marketing.
Land Charges Income	10	Forecast income is below the budgeted amount due to a continuing downward trend.
Community & Leisure:		
Mundeford Sandbank Income	(55)	Net income is forecast to exceed the budget mainly attributed to an increase in beach hut transfer fees offset against a reduction in property rents due to a fire.

Item	Outturn Variance £k	Notes
Iford Sports Complex Property Rents	(17)	Forecast income exceeds the budget due to a rent review.
Community Grants	(10)	Obsolete budget relating to tourism.
Allotment Income	(7)	Forecast income exceeds the budget due to high occupancy of plots.
Steamer Point Income	(5)	Forecast income for holiday rentals exceeds the budget.
Highcliffe Castle Income	39	Forecast income is below the budgeted amount relating to the five month closure for the Heritage Lottery Fund project.
Community and Leisure Salaries	27	Net overspend including maternity and sickness cover/backfill needed to maintain service across leisure sites.
Two Riversmeet Leisure Centre Income	16	Forecast income is below the budgeted amount. Whilst the £1,054k income forecast for 2018/19 is below the budgeted amount it exceeds the £1,043k outturn achieved 2017/18.
Beaches and Harbour Supplies and Services	5	Additional one-off repair and safety costs relating to Highcliffe Zig Zag path and Friars Cliff ramp.
Mudford Sandbank Supplies and Services	5	Additional refuse costs attributed to exceptional summer weather, net of recharge to Bournemouth Borough Council.
Highcliffe Castle Supplies and Services	4	Net overspend over a variety of budgets.
Beaches and Harbour Income	3	Obsolete budget relating to beach hut waiting income.
Legal & Democratic:		
Legal & Democratic Salaries	10	A net overspend is expected due to reliance on agency staff in Legal Services.
Organisational Development:		
Organisational Development Salaries	(75)	Savings arising from vacancies including secondments to support LGR programmes.
Corporate Secretariat Salaries	(16)	Saving arising from obsolete provision for seconded staff resource.
Corporate Management	2	Increased Data Protection fee to Information Commissioners Office.
Total Variance	(209)	

Christchurch Capital Programme

Scheme	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	Total £000s
Affordable Housing	591.2	0.0	0.0	0.0	0.0	591.2
Avon Beach Promenade, Reconstruction	200.0	0.0	0.0	0.0	0.0	200.0
Bridge Street Car Park, Repairs and Resurfacing	22.0	0.0	0.0	0.0	0.0	22.0
Car Park Equipment	2.9	0.0	0.0	0.0	0.0	2.9
Car Park Reconfiguration Works	289.5	0.0	0.0	0.0	0.0	289.5
CCTV Relocation	55.6	0.0	0.0	0.0	0.0	55.6
CCTV Server Replacement	16.1	0.0	0.0	0.0	0.0	16.1
Chewton Bunny and Highcliffe Beach Revival Project	34.6	0.0	0.0	0.0	0.0	34.6
Christchurch Harbour Mooring Chains and Buoys, Replacement	41.0	0.0	0.0	0.0	0.0	41.0
Christchurch Priory, Wall Repairs	0.0	112.5	112.5	0.0	0.0	225.0
Christchurch Quay, Riverside Wall Repairs	64.0	0.0	0.0	0.0	0.0	64.0
Coast Protection Work	147.8	176.0	0.0	0.0	0.0	323.8
Computer Equipment Renewals	1.3	0.0	0.0	0.0	0.0	1.3
Countryside Stewardship	6.9	27.5	20.7	0.0	0.0	55.1
Customer Access, Payment Facilities	3.2	0.0	0.0	0.0	0.0	3.2
Friars Cliff Ramp	62.0	0.0	0.0	0.0	0.0	62.0
Grounds Maintenance Fleet Replacement, Beavertail Vehicles	50.0	0.0	0.0	0.0	0.0	50.0
Highcliffe Castle Tea Rooms, Fire Escapes	20.0	0.0	0.0	0.0	0.0	20.0
Highcliffe Castle Zig Zag	886.7	0.0	0.0	0.0	0.0	886.7
Highcliffe Castle, Pay and Display Machines	7.6	0.0	0.0	0.0	0.0	7.6
Highcliffe Castle, Phoenix Flies Project	1,743.2	306.2	128.1	41.3	0.0	2,218.8
Highcliffe Top Car Park, Structural Repairs	84.9	0.0	0.0	0.0	0.0	84.9
Housing IT Software	14.1	0.0	0.0	0.0	0.0	14.1
ICT Infrastructure Refresh	6.0	37.0	0.0	0.0	0.0	43.0
Leisure Centre Access Road, Structural Repairs	112.0	0.0	0.0	0.0	0.0	112.0

Scheme	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s	Total £000s
Leisure Centre West Car Park, Repairs and Surfacing	17.3	0.0	0.0	0.0	0.0	17.3
Leisure Centre West Car Park, Structural Repairs	71.0	0.0	0.0	0.0	0.0	71.0
Lighting Column Repairs	35.2	0.0	0.0	0.0	0.0	35.2
Lighting Column Structural Integrity Testing	5.5	0.0	0.0	0.0	0.0	5.5
Old Town Hall, Roof Cupola Repairs	75.0	0.0	0.0	0.0	0.0	75.0
Play Project	1,200.0	0.0	0.0	0.0	0.0	1,200.0
Priory Car Park, Refurbishment	48.0	0.0	0.0	0.0	0.0	48.0
Priory Car Park, Resurface and Drainage	50.1	0.0	0.0	0.0	0.0	50.1
Regent Centre, Auditorium Repairs	74.9	479.5	0.0	0.0	0.0	554.4
Saxon Square Car Park, Electrical Repairs	43.0	0.0	0.0	0.0	0.0	43.0
Saxon Square Toilets, Reprovision	175.0	0.0	0.0	0.0	0.0	175.0
Technical Officer, 1 Year	16.7	0.0	0.0	0.0	0.0	16.7
Temporary Accommodation	565.0	0.0	0.0	0.0	0.0	565.0
Town Centre Strategy	280.7	0.0	0.0	0.0	0.0	280.7
Transformation Programme	13.0	0.0	0.0	0.0	0.0	13.0
Two Riversmeet LC, Air Handling Unit Replacement	140.1	0.0	0.0	0.0	0.0	140.1
Two Riversmeet LC, Stairlift Replacement	18.0	0.0	0.0	0.0	0.0	18.0
Wall Repairs (Priory, Wick Lane, Pitsite, Druitt)	69.2	0.0	0.0	0.0	0.0	69.2
Wick Lane Car Park, Wall Repair	17.8	0.0	0.0	0.0	0.0	17.8
Total Capital Programme	7,378.2	1,138.8	261.3	41.3	0.0	8,819.5
Capital Resources 1 April	5,255.4	1,054.9	183.0	42.6	33.5	
Additional Resources In-year	3,177.7	266.9	120.8	32.3	0.0	
Capital Resources 31 March	1,054.9	183.0	42.6	33.5	33.5	